

AN OVERVIEW OF THE 2008 BASIC GRANT

PREVIOUS YEAR REVENUE

Selected state and local revenue establish a revenue base to determine the ensuing years funding. For 2008, this calculation is the 2007 calendar year basic grant, less the 2007 academic honors diploma grant, special education, vocational education, and prime time grants. The 2007 calendar year maximum levy plus the 2006 motor vehicle and commercial vehicle excise and financial institutions taxes are used for the 2008 previous year revenue calculation. Charter schools in the first year of operation outside of Marion County are funded based on the school corporation where the charter school is located and do not have a previous year revenue. Charter schools in first year of operation in Marion County use a weighted average of the funding from the corporation where the student has legal residency.

ADJUSTED ADM FOR 2006-2007 and 2007-2008

There will be an adjustment to the ADM of school corporations for decline in the student population. Generally, school corporations experiencing enrollment decline will have the 2006-2007 and 2007-2008 ADM adjusted upward to reflect a 5-year average of the ADM. A charter school's adjusted ADM for the purposes of this section is the charter school's actual ADM.

TOTAL REGULAR PROGRAM TUITION SUPPORT

Total Regular Program Tuition Support is the total state and local dollars generated by the formula, excluding categorical funding for Academic Honors, special education, vocational education, and Primetime. A calculation is made to determine the Target Revenue per pupil for each individual school corporation and charter school.

A charter school in the first year of operation in 2008, uses the Transition to Foundation Revenue per ADM for the school corporation in which the charter school is located, to compute Total Regular Program Tuition Support Revenue, if the Charter is located outside of Marion County. For Marion County charters it is a weighted average of the Transition to Foundation Revenue per ADM from the school corporation where the student resides. A charter school that is in its second or later year of operation in 2007-2008 uses their own complexity index to compute Total Regular Program Tuition Support.

The calculation considers:

- The complexity index consisting of Free/Reduced Lunch percentage from 2006-2007 school year.
- Previous year revenue per adjusted ADM.
- The current year ADM.
- The current year adjusted ADM.
- The relationship between the previous year revenue per adjusted ADM and the state target.

The Foundation Funding per ADM amount for 2008 is \$4,790 adjusted by the complexity index. From this per student amount is subtracted the previous year revenue per adjusted ADM for 2006-07 and the result is divided by 4.

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- If the subtraction is less than negative \$50 (-\$50), \$50 is subtracted from the previous year revenue per ADM. These school corporations are transitioning from the Foundation amount. (Foundation Transitioning Grant).
- If the subtraction is greater than negative \$50 (-\$50) and less than or equal to \$100, the Complexity Index times \$4,790 is the per pupil target revenue. These school corporations are at the Foundation amount. (Foundation Grant).
- If the subtraction is \$100.00 or greater, the greater amount of the absolute value of the above division by 4 or \$100 is added to the previous year revenue per ADM. These school corporations are transitioning to the Foundation amount. (Foundation Transitioning Grant).

FLAT GRANT ADJUSTMENTS

For corporations that have a 2007-2008 ADM of less than 3,600 and who generate less than 96.5% of prior funding have an upward adjustment of \$100 per adjusted ADM.

For corporations that have a 2007-2008 ADM of less than 1,700 (excluding charter schools) and have a complexity index greater than 1.1 but less than 1.2, have an upward adjustment of \$100 per adjusted ADM.

For corporations that have a 2007-2008 ADM of less than 1,700 (excluding charter schools) and have a complexity index greater than 1.2, have an upward adjustment of \$300 per adjusted ADM.

TOTAL REGULAR PROGRAM TUITION SUPPORT divided by the 2007-08 Adjusted ADM is the Total Regular Program Tuition Support per ADM for 2008.

TARGET TAX RATE *(This section only applies to school corporations.)*

For 2008, the \$4,790 foundation amount, adjusted by the complexity index, is multiplied by the 2007-08 adjusted ADM. This amount is subtracted from the Total Regular Program Tuition Support amount for 2007-2008. This is the Variation from Foundation.

Next, the 2008 Assessed Value is divided by the 2007-08 ADM and this amount is multiplied by .0001. The result is compared to \$46.00 and the greater amount is selected. This is the Wealth per ADM.

- If result ONE is not equal to zero, the Variation from Foundation is divided by the 2007-08 ADM. This quotient is divided by the Wealth per ADM and multiplied by .01, rounded to 4 places. To this amount is added \$0.7135 and this is the Target Tax Rate.
- If result ONE is zero, and there is a 2007 General Fund levy increase granted on appeal for loss in Impact Aid (P.L. 874) or the opening and operating of a new facility dollar amount, the total of these approved appeals is divided by the 2007-08 ADM. This quotient is divided by the result TWO value and multiplied by .01, rounded to 2 places. To this amount is added \$0.7135 and this is the Target Tax Rate.

GENERAL FUND TUITION SUPPORT LEVY *(This section only applies to school corporations.)*

The product of the Target Tax Rate and the ensuing year Tax Rate Adjustment Factor is the Adjusted Target Tax Rate. The 2007 General Fund tax rate is subtracted from the Adjusted Target Tax Rate. This difference cannot be less than two cents (\$0.02) nor greater than five cents (\$0.05).

Note: If the school corporation has or will have students from the corporation attending a charter school, the

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Burris Laboratory School, or the Indiana Academy of Science, Math, & Humanities, there is an additional levy adjustment for charter schools which is added to the total levy calculation. The charter school levy adjustment equals the 2008 Target Basic Grant per student multiplied by thirty-five hundredths (0.35) and this result is multiplied by the number of the school corporation's students attending a charter school.

For 2008:

- If the 2008 Adjusted Target Tax Rate is equal to the 2007 General Fund Tax Rate, the Adjusted Target Tax Rate is multiplied by the 2008 Assessed Valuation and divided by 100 to determine the Tuition Support Levy.
- If the 2008 Adjusted Target Tax Rate is greater than the 2007 General Fund Tax Rate, the lesser of the difference between the two tax rates or \$0.02 is added to the 2007 General Fund Tax Rate and this rate is multiplied by 2008 Assess Valuation and divided by 100 to determine the Tuition Support Levy.
- If the 2008 Adjusted Target Tax Rate is less than the 2007 General Fund Tax Rate, the lesser of the difference or \$0.05 is subtracted from the 2007 General Fund Tax Rate. The result is multiplied by the 2008 assessed valuation and divided by 100 to determine the Tuition Support Levy.

TUITION SUPPORT

The amount of tuition support for a specific school corporation is total Target Revenue minus the sum of the 2008 levy and the 2007 motor vehicle excise, commercial vehicle, and financial institution tax. Tuition support may be a negative dollar amount. This applies to both school corporations and charter schools.

For school corporations that are neither transitioning to nor transitioning from the Target Revenue amount, \$4,790 as adjusted by the Complexity Index, the following calculations are made:

- Target Revenue is added to the 2007 P.L. 874 Loss amount and the 2007 New Facility amount if applicable.
- The local share, which is the sum of the 2008 Tuition Support Levy, 2007 Motor Vehicle and 2007 Commercial Vehicle Excise Tax, and 2007 Financial Institutions Tax, is subtracted. The result is the 2008 Tuition Support. The Total Target Revenue, as adjusted, is multiplied by the 2007-08 Adjusted ADM, and the 2007 P.L. 874 and 2007 New Facility amounts, if applicable, are used. This is the Tuition support for school corporations that are neither transitioning to nor form the Target Revenue amount.

For school corporations that are either transitioning to or transitioning from the Target Revenue amount, the following calculations are made:

- Target Revenue

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- The local share, which is the sum of the 2008 Tuition Support Levy, 2007 Motor Vehicle and Commercial Vehicle Excise Tax, and Financial Institutions Tax, is subtracted. The result is the 2008 Tuition Support. The 2008 Total Target Revenue, as adjusted, is multiplied by the 2007-08 Adjusted ADM, and the 2007 P.L. 874 and 2007 New Facility amounts, if applicable, are used. This is the Tuition Support for school corporations that are either transitioning to or form the Target Revenue amount.

For charter schools, the Target Revenue is the previous year revenue guarantee multiplied by thirty-five hundredths (0.35) and this result is subtracted from the Total Adjusted Target Revenue. This is the Tuition Support for charter schools.

ACADEMIC HONORS GRANT

Each school corporation and charter school is eligible to receive \$900 for each student who received an academic honors diploma for the previous school year (2006-07).

SPECIAL EDUCATION GRANT

School corporations and charter schools are entitled to receive a grant for special education programs. The grant is based on a count of students who are enrolled in special education programs on December 1 of the preceding calendar year. The grant is the sum of multiplying the count of enrolled students by the following:

- \$8,300 multiplied by the unduplicated count of students with severe disabilities.
- \$2,250 multiplied by the unduplicated count of students with mild and moderate disabilities.
- \$531 multiplied by the duplicated count of students with communication disorders.
- \$531 multiplied by the duplicated count of pupils in homebound programs.

VOCATIONAL EDUCATION GRANT

The distribution of vocational education monies is based on labor market demand and wage data calculated according to the following table. School corporations and charter schools are eligible to receive a vocational education grant. Students enrolled in these categories must be enrolled and attending the school corporation and be counted in the school corporation ADM. The Fall 2007 program enrollment data are used for 2008.

1. More than Moderate Labor Market Need and High Wage/\$450 per student credit hour
2. More than Moderate Labor Market Need and Moderate Wage/\$375 per student credit hour
3. More than Moderate Labor Market Need and Less than Moderate Wage/\$300 per student credit hour
4. Moderate Labor Market Need and High Wage/\$375 per student credit hour
5. Moderate Labor Market Need and Moderate Wage/\$300 per student credit hour
6. Moderate Labor Market Need and Less than Moderate Wage/\$225 per student credit hour
7. Less than Moderate Labor Market Need and High Wage/\$300 per student credit hour
8. Less than Moderate Labor Market Need and Moderate Wage/\$225 per student credit hour
9. Less than Moderate Labor Market Need and Less than Moderate Wage/\$150 per student credit hour
10. All Other Vocational Education Programs/\$250 per student (**credit hours are not a factor**)
Students in Family and Consumer Science Programs are counted in this category.
11. Area Participation/\$150 per student (**credit hours are not a factor**)
Area Participation funding is for students participating in a vocational education program in which students

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from multiple schools are served at a common location. THIS DOES NOT INCLUDE STUDENTS SERVED IN PROGRAMS THAT MEET FOR ONE CLASS PERIOD A DAY.

Note: In 2007-08, there are no approved programs for numbers 3, 6, or 9 above.

The total vocational grant is the sum of the dollar amounts calculated under steps one through eleven. The Indiana Department of Workforce Development defines the areas of job demand annually. If a school corporation feels the determined job demand categorization is not representative of their area, that school corporation may petition the Department of Workforce Development for re-categorization.

PRIME TIME GRANT

All school corporations and charter schools are eligible to receive a Prime Time Grant. This grant is paid on the basis of a Target Pupil/Teacher Ratio calculated for each school corporation or charter school. This ratio can range from 18 pupils per teacher to 15 pupils per teacher, depending on the school corporation or charter school Complexity Index. The 2008 Complexity Index is used for the calculation. The Complexity Index for a charter school is the index of the school corporation in which the charter school is located for the first year of operation and subsequent years of operation. The first calculation is to determine the applicable Target Pupil/Teacher Ratio.

- If the Complexity Index is equal to or greater than 1.1, but less than 1.2, subtract the Complexity Index from 1.2, divide that result by .1, multiply the quotient by 3 and add 15. This is the target pupil/teacher ratio.
- If the Complexity Index is less than 1.1, the target pupil/teacher ratio is 18.
- If the Complexity Index is equal to or greater than 1.2, the target pupil/teacher ratio is 15.

Divide the 2007-08 Grade K-3 ADM by the appropriate pupil/teacher ratio. Round to four (4) places. This calculation determines a teacher equivalency needed to meet the target pupil/teacher ratio.

Multiply the applicable 2008 tuition support per pupil dollar amount by .75 and divide by the 2007-08 ADM. Round to two (2) places.

This result is multiplied by the 2007-08 Grade K-3 ADM.

Divide this result by \$72,000, rounded to two (2) places, and subtract the amount from the result of the division of the 2007-08 Grade K-3 ADM by the appropriate pupil/teacher ratio. Round this value to two (2) places. This calculation cannot be less than zero (0). This represents the number of Grade K-3 teachers that are funded through the Prime Time calculation. This result is multiplied by \$72,000, and the result is rounded to two (2) places. The result is compared to the 1999 Prime Time Grant amount or the First Program Year Grant amount. The greater of these three dollar values is compared to the 2007 Prime Time Grant multiplied by seven and one half percent (7.5%), rounded to two (2) places. The 2008 Prime Time Grant is the lesser of these two values.

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BASIC GRANT

The total Basic Grant for the 2008 calendar year is the addition of these components for each school corporation and charter school as they apply:

- Tuition Support
- Academic Honors Diploma Grant
- Special Education Grant
- Vocational Education Grant
- Prime Time Grant